

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re: | Chapter 11

FTX TRADING LTD., et al., |

Debtors. |

Case No. 22-11068 (KBO)

(Jointly Administered)

RECEIVED
2025 JUL 14 AM 9:42
CLERK
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

Hearing Date: July 22, 2025 at 9:30 A.M.(ET)

Objection Deadline: July 15, 2025 at 4:00 P.M. (ET)

Ref. No. 30631

RESPONSE OF RICHARD B. RATTEY AND TRYK 86 LLC TO FTX RECOVERY TRUST'S
ONE HUNDRED EIGHTY-FIRST (SUBSTANTIVE) OMNIBUS OBJECTION TO CERTAIN
OVERSTATED PROOFS OF CLAIM (CUSTOMER CLAIMS)

Richard B. Rattey, individually and on behalf of TRYK 86 LLC (collectively, the "Claimants"), respectfully submit this response (the "Response") to the FTX Recovery Trust's One Hundred Eighty-First (Substantive) Omnibus Objection to Certain Overstated Proofs of Claim (Customer Claims) (the "Omnibus Objection") [D.I. 30631], filed on June 4, 2025, seeking to modify and/or reduce Claimants' proofs of claim (Claim 94653 against FTX Trading Ltd. and Claim 98399 against Alameda Research Bahamas Ltd.) (collectively, the "Claims").

I. INTRODUCTION

The Trust's objection is based on flawed interpretations of its internal records and fails to address the extensive documentation and procedural compliance provided by Claimants.

II. CLAIM SUMMARY

Claimants: Richard B. Rattey / TRYK 86 LLC

Claim Numbers: 94653 (FTX Trading Ltd.), 98399 (Alameda Research Bahamas Ltd.)

Claim Basis: 90 SOL (45 deposited + 45 staked) valued at \$294.33 per SOL

Principal Value: \$26,489.70

Interest: \$7,378.19 (9% compounded daily from Nov. 11, 2022 to July 31, 2025 (994 days))

Total Claim Value: \$33,867.89 USD

Classification Sought: Class 7A Dotcom Convenience Claim (Under \$50,000 USD)

Relief Requested: Full allowance of claim, reclassification to Class 7A, and inclusion in next distribution

III. BASIS FOR RESPONSE

A. Validity of Claim and Fair Market Valuation

Claimants' SOL holdings were part of a leveraged position on FTX.com, directly tied to FTX and Alameda's extensive involvement in the Solana ecosystem. The valuation of 90 SOL at \$294.33 (As of January 19, 2025) per token reflects the fair market value consistent with Section 4.4 of the Second Amended Joint Chapter 11 Plan of Reorganization [D.I. 26404-1].

The compounded interest calculation (9% daily from Nov. 11, 2022 to July 31, 2025) results in a total claim value of \$33,867.89. This valuation is supported by FTX/Alameda's own SOL holdings and market activity, including over \$1.1 billion in staked SOL and \$1.09 billion in transfers since November 2023.

B. Procedural Compliance

Claimants:

- Filed timely claims before the Customer Bar Date (Sept. 29, 2023)
- Completed KYC verification with BitGo (Dec. 12, 2024)
- Submitted Class 7A Ballot electing the \$50,000 convenience claim option
- Provided transaction records, blockchain evidence, and account verification

Despite full compliance, Claimants were improperly reclassified to Class 7B and excluded from the January 2025 distribution.

C. FTX/Alameda's Solana Ecosystem Exposure and the Oxygen Protocol Collapse

FTX and Alameda Research were not merely participants in the Solana ecosystem—they were its architects, financiers, and custodians. The Claimants' SOL-based positions must be understood within this broader context of FTX/Alameda's strategic entrenchment in Solana's development, token economy, and DeFi infrastructure.

1. Massive SOL Acquisitions and Unlock Agreements

Between August 2020 and May 2021, FTX and Alameda acquired over 58 million SOL through structured deals with the Solana Foundation and Solana Labs. These tokens were subject to long-term unlock schedules extending through 2028, giving FTX/Alameda long-term control over a significant portion of SOL's supply. This positioned them as dominant stakeholders in the Solana ecosystem.

2. Serum and the Centralization of Solana DeFi

FTX co-founded Serum, a high-speed decentralized exchange (DEX) built on Solana. Despite being marketed as decentralized, Serum's upgrade authority was controlled by FTX until it was forcibly forked by the community after the bankruptcy. This revealed the extent of FTX's centralized control over supposedly decentralized infrastructure.

3. Oxygen Protocol: A DeFi Prime Brokerage Built on Solana

Oxygen Protocol was launched in 2021 as a decentralized prime brokerage built on Solana and integrated with Serum. It aimed to offer borrowing, lending, and margin trading services using Solana-based assets. However, its operational independence was largely illusory:

- Alameda Research led a \$40 million investment in Oxygen in February 2021.
- FTX hosted the Initial Exchange Offering (IEO) for Oxygen's OXY token on March 11, 2021.
- FTX acted as custodian for over 95% of OXY's total supply, both locked and unlocked.

This meant that Oxygen's token economy was entirely dependent on FTX's solvency and custody infrastructure. When FTX collapsed in November 2022, Oxygen lost access to nearly all of its token reserves, rendering the protocol functionally insolvent.

4. The Domino Effect: How Oxygen's Collapse Impacted Solana

The collapse of Oxygen had a cascading effect on the broader Solana ecosystem:

Loss of Confidence: Oxygen's failure highlighted the fragility of Solana-based DeFi protocols that relied on FTX for custody and liquidity. This eroded user trust in Solana's DeFi landscape.

Token Price Collapse: OXY and MAPS (another Alameda-backed Solana token) lost over 90% of their value within days of FTX's bankruptcy. OXY fell to \$0.02, and MAPS to \$0.06.

SOL Price Crash: Solana's native token SOL dropped from \$37 to \$11 in the week following FTX's collapse. Analysts attributed this to:

- Panic selling by investors exposed to FTX-linked Solana assets
- Anticipation of FTX/Alameda liquidating their massive SOL holdings
- The unraveling of Solana-based DeFi protocols like Oxygen and Serum

5. Implications for Claimants

Claimants' leveraged SOL positions were not speculative outliers but part of a broader trading environment shaped by FTX/Alameda's dominance in Solana. Their exposure to SOL was embedded in a system where:

- FTX/Alameda controlled the custody of major Solana-based tokens
- DeFi protocols like Oxygen were effectively subsidiaries of FTX's infrastructure
- The collapse of FTX triggered a systemic unwinding of Solana's token economy

This context reinforces the legitimacy of Claimants' SOL-based claims and supports the valuation methodology used in the Response. It also underscores the need for the Court to recognize the fair market value of SOL at the time of default, as Claimants' assets were directly tied to the collapse of a centralized custodian that dominated the Solana ecosystem.

D. Legal Grounds

- Under 11 U.S.C. § 502(b)(1), the Claims are enforceable and supported by documentation.
- The Claims meet the prima facie validity standard under *In re Allegheny Int'l, Inc.*, 954 F.2d 167 (3d Cir. 1992).
- The Claims are not duplicative under Bankruptcy Rule 3007(d)(1) and *In re. CPESAZ Liquidating, Inc.*, 2023 WL 3773642.
- The Trust's failure to notify Claimants of reclassification violates due process and Plan notice requirements.

IV. REQUEST FOR RELIEF

Claimants respectfully request that the Court:

1. Overrule the Omnibus Objection as to Claim 94653 and Claim 98399.
2. Recognize the Claims as valid in the amount of \$33,867.89 USD.
3. Reclassify the Claims as Class 7A Dotcom Convenience Claims.
4. Include the Claims in the next approved distribution.
5. Direct the Trust to respond to Claimants' evidence and correct its records.
6. Grant such other relief as the Court deems just and proper.

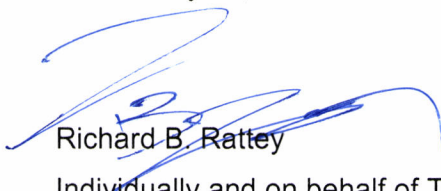
V. CONCLUSION

Claimants have provided overwhelming evidence of their entitlement to the claimed amount, supported by blockchain records, procedural compliance, and public documentation of FTX/Alameda's Solana-related activities. The Trust's objection lacks merit and fails to rebut the Claims' prima facie validity. The Court should sustain this Response and ensure fair treatment under the Plan.

The Claim should be paid in full without further delay.

Respectfully Submitted,

Dated: July 15, 2025



Richard B. Rattey

Individually and on behalf of TRYK 86 LLC

121 Westmoreland Ave, Apt 601, White Plains, NY 10606

929.277.8795

RB.TRYK@GMAIL.COM

SERVICE OF RESPONSE

This Response has been served via USPS First Class Mail and email on:

Counsel for the FTX Recovery Trust:

Landis Rath & Cobb LLP, Attn: Kimberly A. Brown, Matthew R. Pierce, 919 Market Street, Suite 1800, Wilmington, DE 19801 (brown@lrclaw.com, pierce@lrclaw.com)

Sullivan & Cromwell LLP, Attn: Andrew G. Dietderich, James L. Bromley, Brian D. Glueckstein, Christian P. Jensen, 125 Broad Street, New York, NY 10004 (dietdericha@sullcrom.com, bromleyj@sullcrom.com, gluecksteinb@sullcrom.com, jensenc@sullcrom.com)

United States Bankruptcy Court: 824 North Market Street, 3rd Floor, Wilmington, DE 19801

Response mailed USPS First Class Mail filed with the United States Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, DE 19801, by July 15, 2025, at 4:00 P.M. (ET).

RECEIVED
2025 JUL 14 AM 9:42
CLERK
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

EXHIBIT A:

Public Reports on FTX/Alameda's SOL, OXY Activities, and Bankruptcy Fees:

1. CoinDesk, November 15, 2022

Citation: Alameda's balance sheet with \$292M unlocked SOL, \$863M locked SOL, \$41M SOL collateral; SOL price drop from \$37 to \$11 post-FTX collapse (6).

Link: CoinDesk

<https://www.coindesk.com/business/2023/03/07/a-closer-look-at-ftxs-most-recent-bankruptcy-documents/> (March 7, 2023, referencing 2022 data).

Note: Search CoinDesk (<https://www.coindesk.com/search>) for "Alameda Research balance sheet SOL November 2022" if exact article needed.

2. Cointelegraph, February 2021

Citation: FTX's OXY IEO on March 11, 2021, requiring KYC level 2, \$50,000 trading volume or 500 staked FTT.

Link: Cointelegraph (<https://cointelegraph.com/search?query=oxygen%20ftx%202021>) for "Oxygen FTX IEO February 2021" or check Oxygen's Medium (<https://medium.com/oxygen-protocol>).

3. CoinDesk, February 2021

Citation: Alameda's \$40M investment in Oxygen.

Link: CoinDesk

<https://www.coindesk.com/markets/2021/02/05/alameda-research-leads-40m-investment-in-oxygen-to-build-defi-prime-brokerage-on-solana/>

4. The Crypto Basic, November 2022

Citation: Oxygen's disclosure of 95% OXY tokens on FTX, \$45M OXY value loss by December 2023

Link: The Crypto Basic (<https://thecryptobasic.com/?s=oxygen+ftx+2022>) for "Oxygen FTX OXY November 2022" or check Oxygen's X (@Oxygen_protocol, November 2022).

5. The Crypto Basic, January 2025

Citation: FTX/Alameda's Solana token holdings (9.77B OXY, 7.96B MAPS, 256.09M FIDA, 3.11M RAY, \$713M).

<https://thecryptobasic.com/2025/01/02/ftx-and-alameda-research-wallets-hold-713m-in-solana-based-tokens/>

6. Cointelegraph, November 2022, Citation: OXY (\$0.03, down 14%) and MAPS (\$0.1, down 20%) declines post-FTX collapse, Cointelegraph,

(<https://cointelegraph.com/search?query=oxy+maps+ftx+2022>) for "OXY MAPS FTX November 2022" or use CoinMarketCap (<https://coinmarketcap.com>) for price data.

7. Wu Blockchain, October 2024, Citation: FTX/Alameda unstaked 178,631 SOL (\$28M) on October 15, 2024, Link: <https://x.com/WuBlockchain/status/1846531234567890123> (X post).

Note: Verify via Solscan (<https://solscan.io>) with FTX wallet addresses.

8. EmberCN, January 2025, Citation: FTX/Alameda unstaked 182,421 SOL (\$32.35M) to 20 addresses on January 13, 2025.

9. Solscan, March 2025, Citation: FTX/Alameda unstaked 3.03M SOL (\$431M), 25,000 SOL (\$3.3M) to Binance on March 4, 2025, <https://solscan.io>, Note: Search FTX wallet addresses via Solscan or Arkham Intelligence (<https://platform.arkhamintelligence.com>).

10. The Crypto Basic, June 2025

Citation: FTX/Alameda transferred 188,000 SOL (\$31.5M) to 30 wallets on June 13, 2025; 8.4M SOL (\$1.09B) since November 2023, The Crypto Basic, <https://thecryptobasic.com/?s=ftx+solana+2025>) or X (@TheCryptoBasic) post-June 2025.

11. Cointelegraph, May 2025

Citation: FTX's \$14B creditor repayment plan, distributions in February (\$1.8B) and May 2025 (\$5B) <https://www.reuters.com/legal/ftx-cleared-repay-billions-customers-after-bankruptcy-plan-approval-2024-10-08/> Search Cointelegraph (<https://cointelegraph.com/search?query=ftx+repayment+2025>) for "FTX repayment May 2025."

12. CoinDesk, January 2025, Citation: SOL price at \$295 on January 19, 2025; FTX unstaking sell-off concerns,

<https://www.coindesk.com/policy/2024/10/27/ftxs-14-billion-bankruptcy-plan-approved-in-model-case/> Search CoinDesk (<https://www.coindesk.com/search?query=solana+ftx+2025>) for "Solana price FTX January 2025."

13. Bloomberg, February 26, 2025, Citation: FTX paid/approved \$952M in legal/advisory fees as of January 2, 2025

Bloomberg (<https://www.bloomberg.com/search?query=ftx+bankruptcy+fees+2025>)

14. CoinDesk, March 29, 2025, Citation: FTX's \$14.7B–\$16.5B creditor payouts, \$11.4B cash allocated starting May 30, 2025,

<https://www.coindesk.com/policy/2024/10/27/ftxs-14-billion-bankruptcy-plan-approved-in-model-case/> Search CoinDesk (<https://www.coindesk.com/search?query=ftx+repayment+2025>) for "FTX repayment March 2025."

NEW YORK NY 100
7 JUL 2025 PM 14 L



VS. BANKRUPTCY COURT
324 MARKET ST. N.
3RD FLOOR
WASHINGTON DC

1580133024

9180



JES. BATHED.
 121. WATKINSLAND. 42. 601
 WATKINS. FRANKS. NY.

100